

Reserve Fund Study

My Condominium

Plan 012 3456



Number of Units	36
Number of Buildings	1
Building Construction	2001
Contact	Ima Happy
Position(s)	President
Contact Phone	403.555.4321
Report Date	August 8, 2006
Reserve Fund Study Prepared by	M3 Consulting

Executive Summary of Findings

My Condominium

012 3456

This summary has been prepared as a reference of pertinent facts and estimates of the Reserve Fund Study. It is provided for your convenience but readers are advised to refer to the full text of this Reserve Fund Study for more detailed information.

Annual Replacement Contribution
9419.18

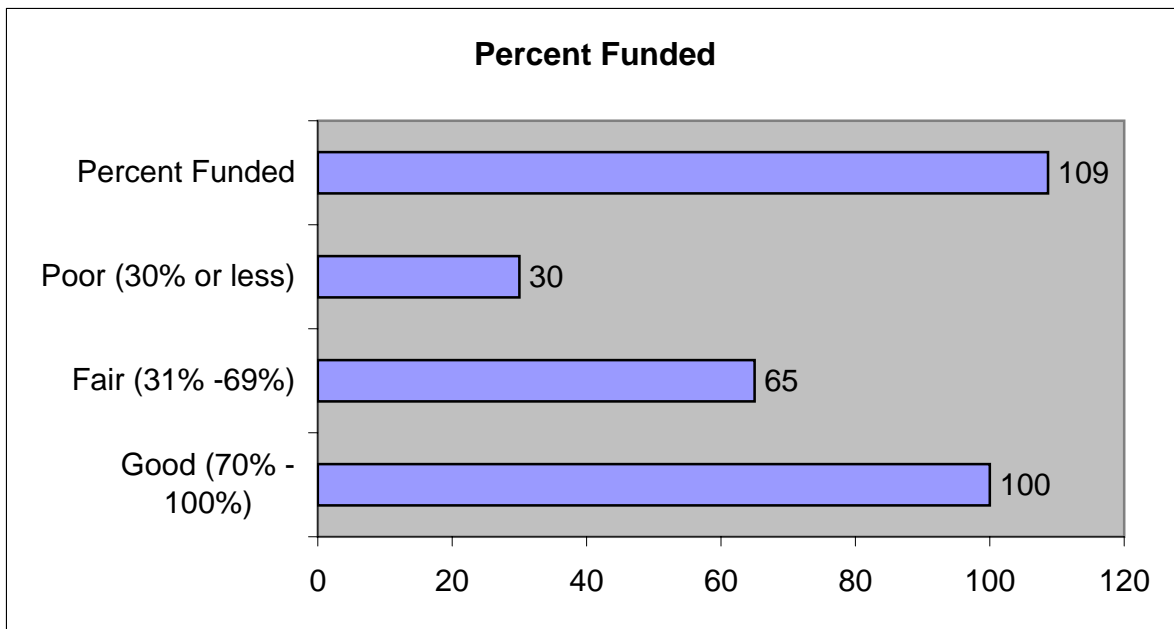
Monthly Replacement Contribution
784.93

Opening Fund Balance
17500

Current Reserve Required
16107

Shortfall / Surplus in Reserve Fund to date
1393

Percent Funded
109%



Reserve Components

Building - Structural	Capital Expenditure	Operating Budget	Not Applicable
Foundations and Underground Services	X	-	-
Balcony, Deck, Awning, Railings	X	-	-
Exterior Wall Assemblies	X	-	-
Window Assemblies	X	-	-
Door Assemblies	X	-	-
Roof Assembly	X	-	-
Building - Finishes and Decoration	Capital Expenditure	Operating Budget	Not Applicable
Flooring	X	-	-
Decoration	X	-	-
Lobby Entrance & Site Signage	X	-	-
Mechanical And Electrical Systems	Capital Expenditure	Operating Budget	Not Applicable
Plumbing Systems	X	-	-
Heating, Ventilation and Air Conditioning	X	-	-
Fire Protection, Access Controls & Safety Systems	X	-	-
Electrical Systems	X	-	-
Elevator System	X	-	-
Site Improvements and Social Facilities	Capital Expenditure	Operating Budget	Not Applicable
Garbage Disposal	X	-	-
Laundry Rooms	-	-	X
Hot Tub, Sauna	-	-	X
Playground Equipment	-	-	X
Satellite Systems	-	-	X
Social Hall	-	-	X
Swimming Pool	-	-	X
Wading Pool	-	-	X
Tennis Court	-	-	X
Asphalt - Pavement, Parking, Driveways, Walkways	X	-	-
Concrete - Sidewalks, Parking, Pads, Driveways, etc.	X	-	-
Sewer Systems	-	-	X
Water Supply Systems	-	-	X
Fence	-	-	X
Landscaping	X	-	-
Reports	Capital Expenditure	Operating Budget	Not Applicable
Engineering Reports	X	-	-
Reserve Fund Study	X	-	-

Reserve Components

Building - Structural	Replacement Cost	1st Replacement
Foundations and Underground Services	\$ 5,000	2012
Balcony, Deck, Awning, Railings	\$ 25,920	2020
Exterior Wall Assemblies	\$ 4,568	2013
Window Assemblies	\$ 28,728	2025
Door Assemblies	\$ 23,040	2030
Roof Assembly	\$ 9,821	2025
Building - Finishes and Decoration	Replacement Cost	1st Replacement
Flooring	\$ 870	2015
Decoration	\$ 653	2015
Lobby Entrance & Site Signage	\$ 1,250	2015
Mechanical And Electrical Systems	Replacement Cost	1st Replacement
Plumbing Systems	\$ 6,500	2010
Heating, Ventilation and Air Conditioning	\$ 12,500	2021
Fire Protection, Access Controls & Safety Systems	\$ 1,500	2026
Electrical Systems	\$ 4,500	2020
Elevator System	\$ 1,250	2015
Site Improvements and Social Facilities	Replacement Cost	1st Replacement
Garbage Disposal	\$ 1,500	2015
Laundry Rooms	\$ 0	2015
Hot Tub, Sauna	\$ 0	2106
Playground Equipment	\$ 0	2106
Satellite Systems	\$ 0	2106
Social Hall	\$ 0	2106
Swimming Pool	\$ 0	2106
Wading Pool	\$ 0	2106
Tennis Court	\$ 0	2106
Asphalt - Pavement, Parking, Driveways, Walkways	\$ 13,125	2030
Concrete - Sidewalks, Parking, Pads, Driveways, etc.	\$ 5,625	2030
Sewer Systems	\$ 0	2106
Water Supply Systems	\$ 0	2106
Fence	\$ 6	2020
Landscaping	\$ 750	2012
Reports	Replacement Cost	1st Replacement
Engineering Reports	\$ 2,500	2015
Reserve Fund Study	\$ 2,450	2011

Window Assemblies

Capital Expenditure	x
Operating Budget	
Not Applicable	

Description of Item and Deficiency Analysis:

Measurements for this item came to approximately 9272 sq/ft. The building has original slider and fixed windows. All windows in good condition with no fogging or freeze up noted at time of survey. Checked for cracked, broken, or missing panes but none noticed. No windows painted shut. Panes from sliders properly secured with no latches broken at time of survey. Checked the condition of the window frames and sashes in one unit and was found to be in good condition for windows inspected. Inspected screens for torn sections and holes and no occurrences noticed. At time of inspection, windows not tested for ease of operation. No rotting or corroded sections noticed with this item.

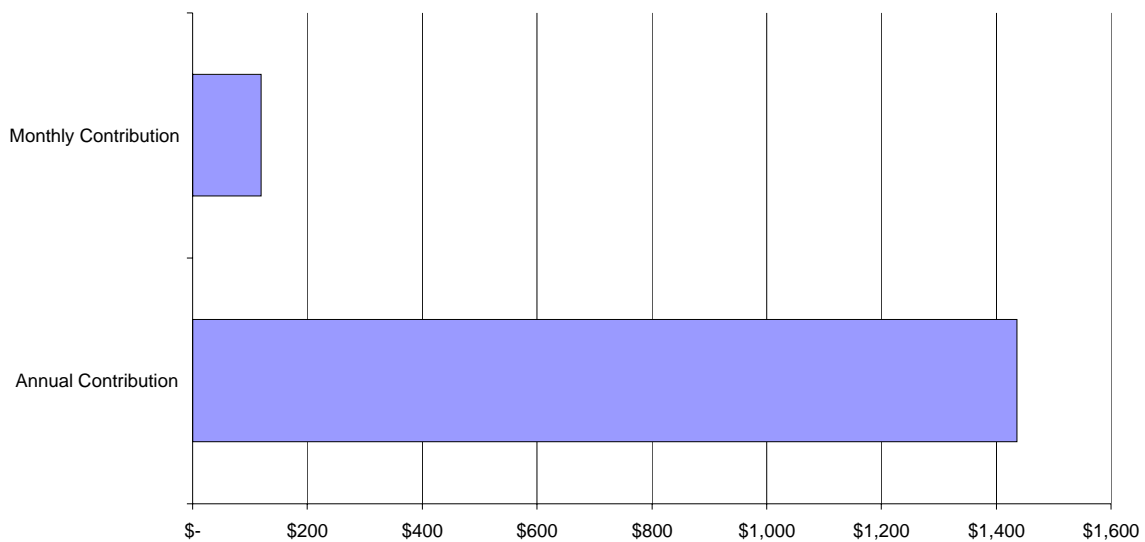
As the need for replacing of windows can come from faulty windows, poor installation of the windows themselves and weather conditions (cold, rain, sunlight, dust, etc.), the lifespan of these windows are difficult to determine. Prefinished vinyl/aluminum clad windows generally have a lifespan of approximately 20 years. The conditions of the windows should be checked by the maintenance person(s) and amounts might need to be allocated sooner if the windows are not able to meet their normal lifespan. At time of survey, no builder details were available in either a sales binder outline, Condominium financial information or architectural plans indicating if repairs and replacements to this item have occurred. No warranties or guarantees will be assumed for this item.



Window Assemblies

Capital Expenditure	x
Operating Budget	-
Not Applicable	-
Estimated Lifespan	20
Actual Age	1
Effective Age	1
Remaining Lifespan	19
Year of Replacement	2025
Year of 2 nd Replacement	2045
Year of 3 rd Replacement	2065
Year of 4 th Replacement	2085
Unit Quantity	1008
Unit Cost Estimate	28.5
Current Replacement Cost	\$ 28,728
Annual Contribution	\$ 1,436
Monthly Contribution	\$ 119.70
% of Total Contribution	15%
Actual Present Fund	\$ 2,669
Current Reserve Required	\$ 1,436
Shortfall or Surplus to Date	\$ 1,232

Annual and Monthly Contributions



Door Assemblies

Capital Expenditure	x
Operating Budget	
Not Applicable	

Description of Item and Deficiency Analysis:

A component price for this item will be given and it includes the replacement and repairs of 1 glass patio door and 1 single passage per unit as well as passage door into the boiler/electrical room, glass main doors leading into the building and passage doors leading into the stairwells. The overhead garage doors for building 2 are also considered in this section. Realistically, the component that will require the most attention under this category will likely be the garage doors and the main passage doors into the buildings. As this building has high owner occupancy, breaking of main entrance doors due to “moving in and out” of tenants is unlikely.

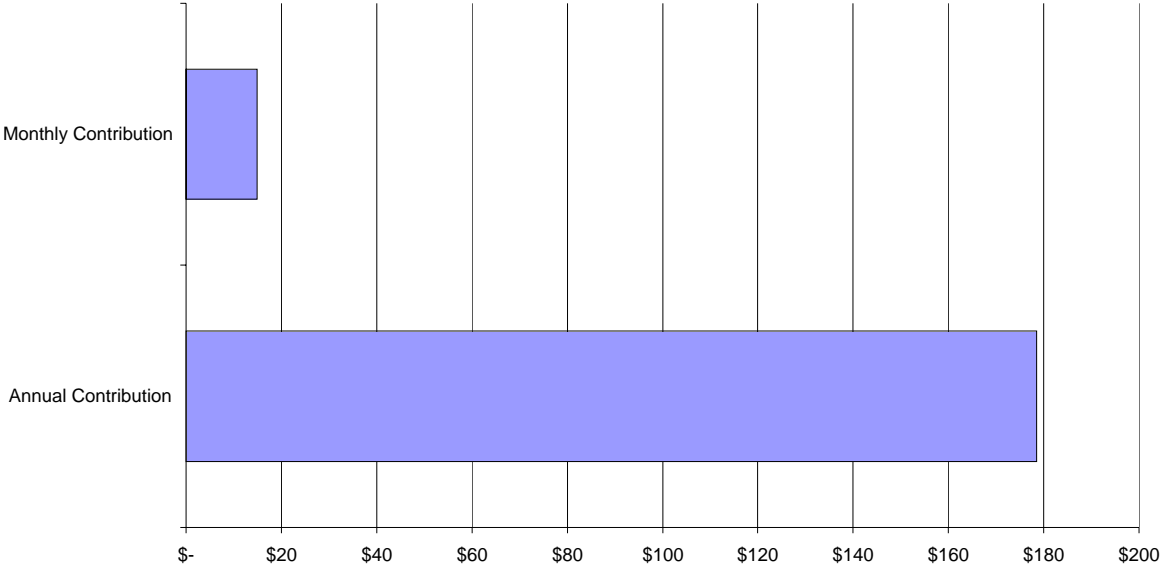
Doors leading into buildings and units tend to require more maintenance than full replacement. Doors should also be considered part of annual maintenance rather than exclusively a scheduled item for full replacement. Time frames given for this item are budgetary suggestions but this item should be repaired and replaced as required. Exterior doors checked for cracked, chipped, broken sections but no occurrences noted.



Door Assemblies

Capital Expenditure	x
Operating Budget	-
Not Applicable	-
Estimated Lifespan	25
Actual Age	1
Effective Age	1
Remaining Lifespan	24
Year of Replacement	2030
Year of 2 nd Replacement	2055
Year of 3 rd Replacement	2080
Year of 4 th Replacement	2105
Unit Quantity	720
Unit Cost Estimate	32
Current Replacement Cost	23040
Annual Contribution \$	179
Monthly Contribution \$	14.88
% of Total Contribution	2%
Actual Present Fund \$	332
Current Reserve Required \$	179
Shortfall or Surplus to Date \$	153

Annual and Monthly Contributions



My Condominium

20-Feb-06

	Estimated Lifespan	Actual Age	Effective Age	Remaining Lifespan	Current Replacement Cost	Annual Replacement Contribution	% of Total Contribution	Actual Present Fund	Current Reserve Required	Shortfall to date
Building - Structural										
Foundations and Underground Services	7	1	1	6	\$ 5,000	\$ 714	8%	\$ 1,327	\$ 714	\$ 613
Balcony, Deck, Awning, Railings	15	1	1	14	\$ 25,920	\$ 1,728	18%	\$ 3,210	\$ 1,728	\$ 1,482
Exterior Wall Assemblies	8	1	1	7	\$ 4,568	\$ 571	6%	\$ 1,061	\$ 571	\$ 490
Window Assemblies	20	1	1	19	\$ 28,728	\$ 1,436	15%	\$ 2,669	\$ 1,436	\$ 1,232
Door Assemblies	25	1	1	24	\$ 4,464	\$ 179	2%	\$ 332	\$ 179	\$ 153
Roof Assembly	20	1	1	19	\$ 9,821	\$ 491	5%	\$ 912	\$ 491	\$ 421
Building - Finishes and Decoration										
Flooring	10	1	1	9	\$ 870	\$ 87	1%	\$ 162	\$ 87	\$ 75
Decoration	10	1	1	9	\$ 653	\$ 65	1%	\$ 121	\$ 65	\$ 56
Lobby Entrance & Site Signage	10	1	1	9	\$ 1,250	\$ 125	1%	\$ 232	\$ 125	\$ 107
Mechanical and Electrical Systems										
Plumbing Systems	8	8	4	4	\$ 6,500	\$ 813	9%	\$ 1,510	\$ 3,250	\$ (1,740)
Heating, Ventilation and Air Conditioning	25	26	10	15	\$ 12,500	\$ 500	5%	\$ 929	\$ 5,000	\$ (4,071)
Fire Protection, Access Controls & Safety Systems	25	5	5	20	\$ 1,500	\$ 60	1%	\$ 111	\$ 300	\$ (189)
Electrical Systems	15	1	1	14	\$ 4,500	\$ 300	3%	\$ 557	\$ 300	\$ 257
Elevator System	10	1	1	9	\$ 1,250	\$ 125	1%	\$ 232	\$ 125	\$ 107
Site Improvements and Social Facilities										
Garbage Disposal	10	1	1	9	\$ 1,500	\$ 150	2%	\$ 279	\$ 150	\$ 129
Laundry Rooms	15	4	6	9	\$ 0	\$ 0	0%	\$ 0	\$ 0	\$ (0)
Hot Tub, Sauna	100	0	0	100	\$ 0	\$ 0	0%	\$ 0	\$ -	\$ 0
Playground Equipment	100	0	0	100	\$ 0	\$ 0	0%	\$ 0	\$ -	\$ 0
Satellite Systems	100	0	0	100	\$ 0	\$ 0	0%	\$ 0	\$ -	\$ 0
Social Hall	100	0	0	100	\$ 0	\$ 0	0%	\$ 0	\$ -	\$ 0
Swimming Pool	100	0	0	100	\$ 0	\$ 0	0%	\$ 0	\$ -	\$ 0
Wading Pool	100	0	0	100	\$ 0	\$ 0	0%	\$ 0	\$ -	\$ 0
Tennis Court	100	0	0	100	\$ 0	\$ 0	0%	\$ 0	\$ -	\$ 0
Asphalt - Pavement, Parking, Driveways, Walkways, etc	25	1	1	24	\$ 13,125	\$ 525	6%	\$ 975	\$ 525	\$ 450
Concrete - Sidewalks, Parking, Pads, Driveways, etc	25	1	1	24	\$ 5,625	\$ 225	2%	\$ 418	\$ 225	\$ 193
Sewer Systems	100	0	0	100	\$ 0	\$ 0	0%	\$ 0	\$ -	\$ 0
Water Supply Systems	100	0	0	100	\$ 0	\$ 0	0%	\$ 0	\$ -	\$ 0
Fence	15	1	1	14	\$ 7,168	\$ 478	5%	\$ 888	\$ 478	\$ 410
Landscaping	7	1	1	6	\$ 750	\$ 107	1%	\$ 199	\$ 107	\$ 92
Miscellaneous										
Engineering Reports	10	1	1	9	\$ 2,500	\$ 250	3%	\$ 464	\$ 250	\$ 214
Reserve Fund Study	5	0	0	5	\$ 2,450	\$ 490	5%	\$ 910	\$ -	\$ 910
TOTALS					\$ 140,643	\$ 9,419	100%	\$ 17,500	\$ 16,107	\$ 1,393

Frequently Asked Questions

What is a Reserve Study and what is its' purpose?

A Reserve Study is the art and science of anticipating, and preparing for, major common area repair and replacement expenses.

A Reserve Study allows the Board and Management to offset the ongoing deterioration of the common areas with Funds to ensure the timely repair, replacement or restoration of those common areas. When properly done, irregular Reserve expenses are offset by ongoing, regular Reserve contributions. Special assessments are then left for true emergencies, not expenses that could have been anticipated.

The purpose of this report is to provide cost estimates for the building components that will be subject to major repairs, replacement or restoration over the life of the property, and to provide an estimate of the funding required for such major repairs and replacement. The study is to be conducted in accordance with the reserve fund standards outlined in the Alberta Condominium Property Act

A reserve fund study is an analysis of the common property of a Condominium Corporation to determine the financial health of the capital replacement reserve fund.

A study will:

- Provide an inventory of all building components which are subject to a physical, functional deterioration
- Analyze the present condition of all the components and estimate the effective age and remaining life of each component
- Estimate the cost of repair, replacement, or restoration of each component
- Determine the amount of funds currently accumulated by the Condominium Corporation for the purpose of repairing, replacing or restoring the components identified in the study
- Make recommendation as to the appropriate amount of funds required to meet the future financial obligation of the Condominium Corporation.

What's the difference between a Reserve Fund Study and a Reserve Fund Plan?

A Reserve Fund Report is a financial document detailing the findings of the study, the qualifications of the analyst and other matters relevant to operation of the Condominium Corporation as they relate to the reserve fund.

The report provides the basis for funding major repairs, replacements, or restorations of the common area building components and provides a practical guide for budgeting and planning maintenance programs.

A Reserve Fund Plan is a plan that must be approved by the Board of Directors upon receiving and reviewing the reserve fund study. The plan must establish the Reserve Fund and set out the method of and amount of contribution be made by the unit holders.

What are the two main parts in the Reserve Study?

Every Reserve Study has two parts: information on the physical condition of the property and the financial analysis performed using that information. It is natural, therefore, to divide the Reserve Study into these two parts.